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Reagan: Soviet Spying 'Outrageous'

But Controversy Over Embassy Not Expected to Hurt Shultz Visit

By David Hoffman
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WEST LAFAYETTE, Ind., April 9—President Reagan today issued a fresh denunciation of Soviet espionage attempts against the U.S. Embassy in Moscow, but said he did not expect the recent spying disclosures to hurt next week's mission to Moscow by Secretary of State George P. Shultz.

Speaking to reporters as he prepared to leave after a speech at Purdue University here, Reagan said, "What the Soviets did to our embassy in Moscow is outrageous, and we have protested strongly and we'll conduct a full investigation and take whatever corrective action is necessary." Embassies, he added, "can and must be secured from Soviet spying."

Reagan's comment paralleled his remarks earlier this week when he ordered new investigations into charges that the Soviets had used women to seduce U.S. Marine guards at the embassy for espionage purposes. But his remarks seemed to further escalate this week's war of words over the charges between Washington and Moscow.

Reagan refused under repeated

questioning to comment on reports that the United States had made similar efforts to spy on the Soviets in Washington. "I can't and will not comment on United States intelligence," he said.

Earlier today, Reagan responded "no" when asked if the charges and countercharges between Washington and Moscow would hurt the Shultz visit.

White House chief of staff Howard H. Baker Jr. said, "I do not think this jeopardizes chances for progress on East-West relations and I don't think that it's likely to detract from the value of Secretary Shultz's visit."

"All of this happened on the eve of the secretary's visit to Moscow," Baker said, speaking to reporters on Air Force One. "While there were those who thought the secretary should cancel it, the president obviously wanted to go forward, considering the high stakes involved."

Reagan was asked if the United States could be justifiably outraged over the Soviet scheme if similar espionage attempts were made by Washington. Reagan paused and said only, "I think so."

Baker, referring to charges that U.S. Marines were seduced by So-

viet women, said, "I don't think the United States would do what the Soviets have done. The scope and extent of it really represents an invasion of our sovereign rights. That's what an embassy compound is, a piece of sovereignty in another land."

Reagan brushed aside other questions about the embassy bugging episode, saying he had not paid any attention to charges from Moscow today that the United States planted listening devices in the Soviet Embassy in Washington.

"If you want to believe them, go ahead," he said, adding that "I never discuss anything having to do with espionage or counterespionage."

Reagan's remarks came as the Senate, angered by the reports of widespread espionage at the embassy in Moscow, urged Shultz to either cancel his talks with the Soviets next week or find a secure place to hold them.

The Senate approved a resolution, introduced by Sen. Malcolm Wallop (R-Wyo.), that is a nonbinding recommendation to the secretary, urging him to shift the talks to city in another country, such as Stockholm or Geneva, unless the Moscow site could be determined to be secure.

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Bush Denies Adviser Lied on Contra Issue

Gregg 'Forgot' Meeting Resupply Expert

By David Hoffman
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A Vice President Bush denied in an interview broadcast last night that his national security adviser, Donald Gregg, had lied when Gregg claimed that he never discussed the Nicaraguan contras with a key figure in the contra resupply operation.

A Bush said that Gregg "forgot" about a meeting on the contras that he had held with Felix Rodriguez who was participating in the resupply effort and had come to Gregg for help last August.

Bush made his remarks in an interview conducted Friday and broadcast last night on the CBS News program "60 Minutes."

After a cargo plane carrying military supplies for the contras was shot down in Nicaragua last October, U.S. officials at first said they had nothing to do with it. Later, Gregg told reporters in response to questions that he had never discussed the contras with Rodriguez, but that he had discussed the leftist insurgency in El Salvador with Rodriguez.

Gregg said that "the only thing" he talked about with Rodriguez "was his involvement in the insurgency in El Salvador."

Later, however, Bush's office issued a chronology showing that Gregg had met with Rodriguez last August to discuss problems in the resupply operation, and that Gregg convened a second meeting afterward of top U.S. officials to see how the resupply effort could be helped.

The involvement of Gregg in the contra resupply effort at a time when Congress had cut off direct U.S. military aid is reportedly being investigated by independent counsel Lawrence E. Walsh.

The episode has worried some of Bush's political advisers, who fear it could become an issue in Bush's presidential campaign.

Asked by Diane Sawyer whether Gregg had lied when he denied talking to Rodriguez about the contras, Bush said, "I don't think so. I think he did not recall what he'd exactly said. As soon as he ... recalled that, we put out from our office a chronological series of events involving Don Gregg that I think has stood the test of time."

Sawyer asked Bush if Gregg told him that he "forgot" about the meetings with Rodriguez on the contras.

"He explained he wasn't lying, yes," Bush said.

"What's the difference?" Sawyer asked.

"Well, maybe it's the same. I don't know. But I don't see it as a major federal case, frankly," Bush said.

"There are only two options, aren't they, he forgot or he lied. Is there another one I'm missing?" asked Sawyer.

"He forgot," Bush said. "He's not a liar. If I thought he was a liar, he wouldn't be working for me. Sorry about that, but he wouldn't be."

When Sawyer asked Bush about his statement that he was "disappointed" that Gregg had not told him more about the meetings with Rodriguez, Bush said, "Did I say that? Did I?"

Bush also was questioned about his advice to President Reagan in meetings where the sale of missiles to Iran was discussed. Asked if he thought he should have spoken more strongly in early meetings against trading arms for hostages, Bush said, "No." But he then said he didn't know the United States was trading arms for hostages, and if he had, "I would have weighed in very heavily with the president to that effect."